Saskatchewan
Tourism and
Small Business

Jack Klein
Minister

Canada

A Tourism Development Strategy for the Province of Saskatchewan

Executive Summary

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INTRODUCTION

This document is an executive summary of the findings and conclusions of a year long study to determine a Development Strategy for Saskatchewan's Tourism Industry.

The study was prepared by a team of consultants for the Governments of Canada and Saskatchewan.

The executive summary has been reproduced for public information by the Saskatchewan Department of Tourism and Small Business.

A TOURISM DEVELOPMENT STRATEGY FOR SASKATCHEWAN

THIS DOCUMENT IS A SUMMARY PAPER OF THE FINDINGS AND CONCLUSIONS OF A YEAR LONG STUDY TO DETERMINE A DEVELOPMENT STRATEGY FOR SASKATCHEWAN'S TOURISM INDUSTRY. IT IS A TECHNICAL WORKING DOCUMENT PREPARED BY CONSULTANTS WHO WERE ENGAGED BY THE GOVERNMENTS OF SASKATCHEWAN AND CANADA TO ASSIST IN THE PREPARATION OF A SASKATCHEWAN TOURISM STRATEGY. IN ITS PRESENT FORM IT REFLECTS THE VIEWS AND OPINIONS OF THE CONSULTANTS AND SHOULD NOT BE INTERPRETED AS DECISIONS REGARDING POLICY OR PROGRAMS ON THE PART OF FEDERAL OR PROVINCIAL GOVERNMENT.

FORWARD

In a province where agriculture and mineral production have traditionally been the cornerstone industries of the economy, Saskatchewan's Tourism industry has been perhaps easily overlooked. However, Saskatchewan's tourism industry has been an increasingly more important contributor to the provincial economy as the service sector has expanded. In general, it is an industry which can offer the province's economy significantly greater growth and diversity in the decades ahead.

The tourism industry has other potentially important benefits in addition to further economic growth and diversity. For example, by its nature it produces comparatively greater employment opportunities for the required capital investment. Moreover, it is an industry comprised primarily of small businesses therefore providing additional investment opportunities to local entrepreneurs. Finally it is an industry which can often be viable in small communities thus providing investment and employment opportunities for communities which might not otherwise successfully support major manufacturing or mineral production developments.

The Government of Canada has for some time recognized these important characteristics of the Canadian Tourism industry and has actively sought to help develop the industry through a series of Federal-Provincial Subsidiary Tourism Industry Development Agreements. Similarly, the Province of Saskatchewan has also recognized the importance of the Tourism industry to the Saskatchewan economy. This recognition has been noted on numerous occasions by the Hon. Grant Devine as his provincial government subsequently undertook to provide additional support for Tourism Development in Saskatchewan through substantial increases in its marketing efforts.

The Governments of Canada and Saskatchewan have recently taken further significant steps in their recognition of the importance of the

Saskatchewan Tourism Industry by co-operating in the production of a Saskatchewan Tourism Industry Development Strategy. This paper is the result of a year long strategy development effort undertaken by Marshall Macklin Monaghan, Derek Murray Consulting Assoc. Inc. and Thorne Stevenson and Kellog under the sponsorship of the Governments of Canada and Saskatchewan. In developing a tourism strategy many community and industry representatives were consulted. The guidance, suggestions, and thoughts offered through these consultations by many different individuals were not only extremely perceptive and helpful to the consultants, but were also offered with great enthusiasm, thereby indicating strong and widespread support for province-wide tourism industry development efforts.

1. EXECUTIVE SUMMARY

1.1 Introduction

This executive summary outlines the key findings and conclusions associated with the task of developing a Tourism Strategy for Saskatchewan. The study effort upon which this strategy is based involved an examination of the following considerations:

- The nature and structure of the industry
- Tourism Markets
- An assessment of Saskatchewan's Tourism Products
- Objectives to be considered in developing the industry
- Approaches and alternatives to developing the industry

This portion of the documentation represents only a summary of the major study conclusions and recommendations. Persons requiring further detail on specific items are encouraged to read appropriate sections of the full study document or direct specific inquiries to the following members of the Canada-Saskatchewan Steering Committee:

CANADA-SASKATCHEWAN STEERING COMMITTEE	
Government of Saskatchewan	**Government of Canada**
MIKE DALIDOWICZ Saskatchewan Tourism and Small Business Fourth Floor, Bank of Montreal Building Regina, Saskatchewan. 1 - (306) - 565-2334	**DONNA ALLEN** Department of Regional Industrial Expansion Fourth Floor, 1955 Smith Street, Regina, Saskatchewan. 1 - (306) - 359-6113

This summary of a Tourism Strategy for the Province of Saskatchewan is not intended to be a government policy document. The conclusions and recommendations put forth by the consultants are intended, however, to provide a strategy for tourism planning and development and to provide general direction for private and public sector tourism investment and initiatives. Ideas put forward for specific investment and program implementation would still require further feasibility analysis.

1.2 Saskatchewan's Tourism Industry

What is Tourism?

Tourism is both a domestic and an export industry. During the early 1970's, tourism was Canada's second largest export, surpassing petroleum, wheat, lumber and woodpulp products. Domestically Canadians spend over 8 billion dollars annually on travel creating over one million jobs in the Canadian Tourism industry. Saskatchewan has the fifth largest tourism industry in Canada in expenditure terms led by Ontario, Quebec, British Columbia and Alberta, and followed by the remaining Canadian provinces and territories.

Although the tourism industry is part of the service sector, it is one of the least understood sectors of our economy, particularly in terms of the character of its growth and the nature of its economic impact. Tourism Canada defines tourism as "The business of attracting visitors and servicing their needs and expectations." For statistical purposes it is defined as expenditures associated with travel of more than 50 miles from home. As shown in Figure 1.1, the Tourism industry is comprised of accommodation establishments, food and beverage establishments, and a wide array of attraction-based services including events organizations, recreation services, travel agencies and associated retail outlets.

Historically, Saskatchewan people have not thought of their province as having a tourism industry. This is no doubt due to the fact that Saskatchewan does not possess a nationally well-known vacation destination or attraction such as Banff, Victoria, Disneyland or other such places often associated with pleasure travel. Indeed surveys have shown that most Saskatchewan residents have a rather negative attitude toward the pleasure travel opportunities offered in their province relative to other parts of Canada and the United States. Even those residents who do recognize that Saskatchewan has a tourism industry often perceive their province's tourism industry to be less appealling than its competitors in terms of the quality of attractions and services offered. A key requirement then in developing a tourism strategy for Saskatchewan must be to make both the industry representatives and the Saskatchewan public in general aware that the Saskatchewan tourism industry is both significant and important to the province's economy.

FIGURE 1.1

ALLOCATION OF ONE BILLION DOLLARS OF TOURISM EXPENDITURE IN SASKATCHEWAN		
SECTOR	**EXPENDITURE**	**%**
VISITOR FACILITIES - accommodation and food and beverage services of the hospitality industry	$ 400,000,000	40%
TRANSPORTATION - most travel expenditure to and in Saskatchewan is associated with the private automobile	$ 360,000,000	36%
VISITOR ATTRACTIONS - Events, Attractions, Recreation, Travel Agents and Retail Sales related to Tourism	$ 240,000,000	24%

Tourism is a Billion Dollar Industry for Saskatchewan

In 1982, tourism expenditures in Saskatchewan reached 930 million dollars. Very likely this figure has now surpassed the one billion dollar level. In our consultations program we found that very few people were aware of this very significant level of expenditure which the tourism industry generates for the Saskatchewan economy. As implied in Figure 1.1, this billion dollars in expenditures is distributed among a great number of small businesses for the most part with the exception of a few major public transportation and hotel companies, as well as a few major community event organizations.

Economic Impact

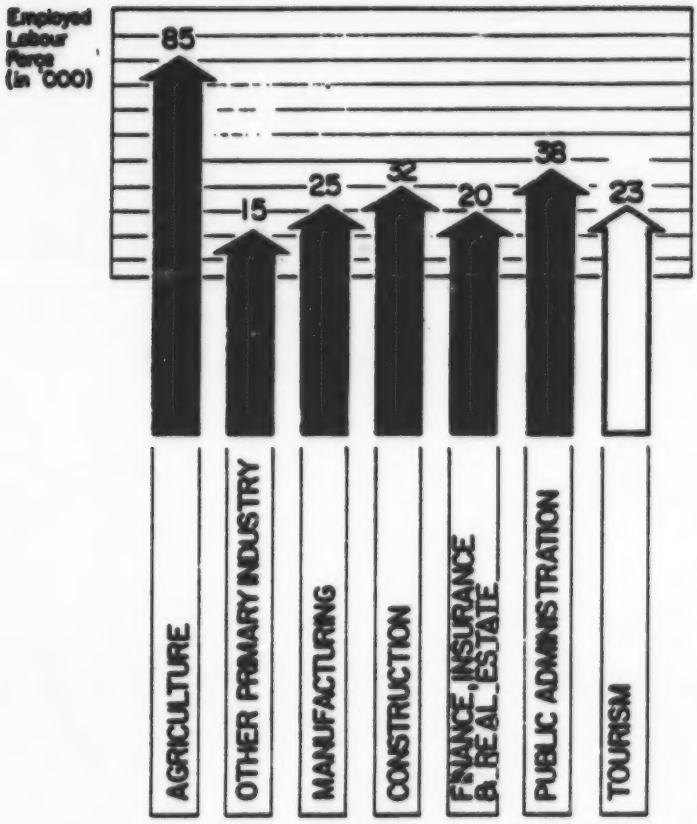
There are over 2,000 individual businesses involved in Saskatchewan's tourism industry. As a result, the industry characterizes the very essence of small business in Saskatchewan and Canada. Tourism expenditures captured in Saskatchewan in 1983 were 4.2 times greater than in 1971. During this same period, Saskatchewan's retail sales increased only 3.4 times, providing one measure of the amount of service sector growth which has been generated by the tourism industry. Even during the recession years of 1982 and 1983, the Saskatchewan tourism industry registered increased expenditure growth providing further evidence of the industry's resilience.

The Saskatchewan Tourism Industry is, in relative financial terms, 5.4% the size of Saskatchewan's entire gross domestic product. As an export industry for Saskatchewan it represents 20% of the value of manufactured goods exported, 50% of the value of livestock exported and 200% of the value of wood product exports to the rest of Canada.

Perhaps the comparison of greatest significance is the Saskatchewan Tourism Industry's high level of employment generation. As shown in Figure 1.2, the tourism industry provides nearly as much employment as Saskatchewan's manufacturing industry and exceeds employment generated by Saskatchewan's mining and other resource sectors. Although tourism related employment has occasionally been labled as low skilled such is not the case. The industry is becoming increasingly more professional continually demanding higher skill levels of its chefs, hotel and

FIGURE 1.2

Comparison of Tourism Employment
With Selected Economic Sectors
1980



restaurant management, travel agents, entertainers and retail personnel. In our consultations program it was further noted that highly trained and experienced waiters and waitresses, working full time in certain types of food and beverage establishments could often earn $23,000 per year.

The foregoing effectively demonstrates that tourism, from an economic perspective in terms of employment and income, is a significant industry for the province. The industry has previously not received much attention at the senior, provincial and municipal levels as part of an economic development strategy. From a government revenue perspective it is perhaps one of the best investments governments could make. Greater tourism development will only result in greater employment, investment and export, but also improved government revenues. For example, the Governmentz of Canada and Saskatchewan receive about 33¢ for every direct tourism dollar expenditure in Saskatchewan. This results in an estimated annual income flow in excess of $300 million to the treasuries of these Governments.

1.2 Saskatchewan's Tourism Markets

Market Structure

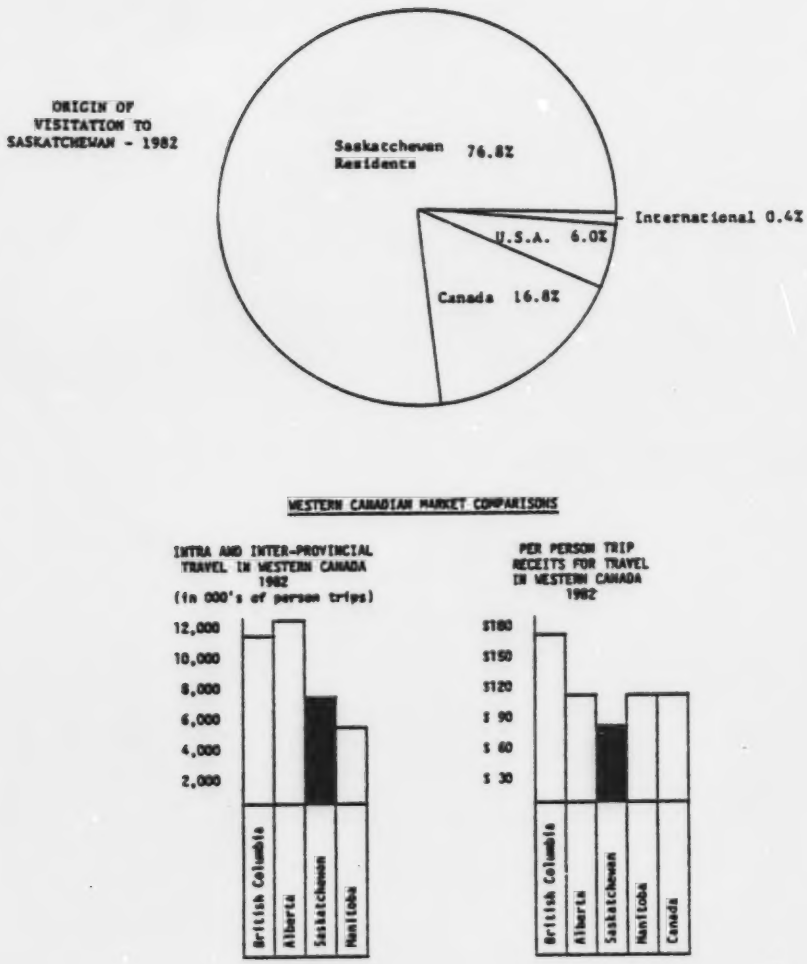
Approximately 8 million trips are made to, through and in Saskatchewan annually. However, the vast majority of those trips (over 6 million) are made by Saskatchewan residents. The next largest travel market for the prcvince is Canada at 1.3 million trips followed by the U.S.A. at 466 thousand trips and international travel which is almost insignificant at less than 1% of all trips made to the Province.

Market Impact

Saskatchewan compares very favourably with respect to travel being ranked fifth of all provinces in Canada as a destination for travel in terms of travel volumes. However, Saskatchewan's relatively high person trip visitation has not been matched on the expenditure side as shown in Figure 1.3. Of the four western provinces, Saskatchewan has the lowest spend per trip of only $75. Although Saskatchewan has a

FIGURE 1.3

Saskatchewan's Tourism Market Structure



greater number of person trips than Manitoba it has a lower spend expenditure per trip than Manitoba. Saskatchewan per trip expenditure is one of the lowest in Canada and is 25% lower than the national average. Very simply, a fair number of people are travelling to and in Saskatchewan but they are not spending as much money as is the case in many other provinces.

Market Characteristics

There are several reasons for Saskatchewan's poor capture of tourism expenditure from travel. The following are some of the key characteristics of Saskatchewan's current travel market which offers an explanation as to why Saskatchewan's market impact is low relative to other Western Canadian provinces.

The Resident Market

- **Saskatchewan Residents are less likely to take trips for pleasure in their own province.**

  Compared to other provinces, Saskatchewan residents are more likely to travel for pleasure outside their own province. In the case of foreign travel, Saskatchewan residents are 20% more likely than other Canadians to travel for pleasure to a foreign destination.

- **Saskatchewan residents have a negative image of their province.**

  A survey of Saskatchewan households indicated that only 15% of the households surveyed rated Saskatchewan as very good in its ability to provide high quality leisure products for vacation travel. Only one out of three respondents named an attraction they would recommend to a friend or relative to visit. Although Saskatchewan's fishing, camping, picnicing, parks and sightseeing resources are ranked high by its residents, urban tourism experiences, city nightlife and organized activities are ranked poorly. This is unfortunate since urban tourism experiences tend to generate higher expenditures than do rural tourism attractions.

The Non-Resident Market

- **A significant portion of Saskatchewan's non-resident travel markets are pass through.**

Some 22% of Saskatchewan's non-resident Canadian markets and an estimated 50% of Saskatchewan's U.S. travel markets are simply passing through enroute to other destinations. These travel markets tend to see Saskatchewan as flat and uninteresting since most of its highly scenic resources are not near its major interprovincial travel corridors. Moreover most of Saskatchewan's non-resident travel markets travel to Saskatchewan to visit and stay with friends and relatives rather than travel to the province for business or pleasure thus reducing the potential expenditure impact from non-resident person trips.

- **76% of Saskatchewan's Non-Resident Canadian Travel Markets are generated by Alberta and Manitoba.**

Saskatchewan's non-resident Canadian travel markets tend to come primarily from Alberta and Manitoba travelling distances of 500 miles or less (one day's drive). Of all non-resident Canadian visitors nearly one-half, 49%, come to visit friends and relatives and 66% of these visitors actually stay with friends and relatives, usually for three nights or less. These visitors tend to be younger and less affluent than the average Canadian traveller and usually 95% travel by car.

- **U.S. Visitors with Saskatchewan as their primary destination tend to have a higher expenditure impact and seem to originate primarily from six states.**

U. S. visitors to Saskatchewan are twice as likely to stay overnight as are non-resident Canadians. Saskatchewan seems to attract over 50% of its U.S. visitors primarily from six states including California, Minnesota, Washington, Michigan, Montana and North Dakota. Wisconsin, New York and Illinois also appear to be important travel markets for Saskatchewan. Travellers from these states appear to be interested in Saskatchewan for rural and urban siteseeing, fishing, hunting, camping, hiking, swimming, boating, as well as specialized attractions and events.

At an estimated 466 thousand trips to Saskatchewan the American market is more important than the Manitoba market and roughly equivalent to the Alberta market. Americans with their primary destination as Saskatchewan also create a greater expenditure per day than their counterpart Canadian visitors to Saskatchewan. They are more likly to stay overnight and less likely to stay with friends and relatives. However, Saskatchewan has failed to capture a significant portion of this market in comparison to other western provinces. The Saskatchewan industry's capture of American travel receipts represents only 40% of Manitoba's and only 14% of Alberta's.

Market Trends

It appears that five major trends are occurring within Saskatchewan's existing and potential travel markets.

1. **North American travel patterns have been toward travelling closer to home.**

   Although Saskatchewan has always had a heavy reliance on its own resident market, a general trend throughout North America has been for people to take more of their trips closer to home. Indeed long distance travel within Canada has been declining generally since 1980.

2. **Canada's share of foreign travel markets has been falling.**

   Canada enjoyed an excellent and growing share of the international travel markets through much of the 1970's. However, foreign travel to Canada has been declining in recent years with the single exception of packaged vacations. Since the early 1970's Canada has experienced a 20% decline in U.S. travel markets and Saskatchewan has experienced a 35% decline in its U.S. travel markets. Declines in Canada's Overseas travel markets have been particularly strong since 1980.

3. **Business travel trends are unclear at the present time.**

Trend studies in business travel markets appear to be offering conflicting signals. While aircraft companies such as Boeing and McDonnel Douglas have noted major drops in business travel volumes by air, other studies have noted increases. One trend that seems to be occurring however is that business and pleasure travel markets are becoming blurred as persons continue more and more to combine their business travel needs with pleasure travel opportunities.

4. **Specialized and packaged pleasure travel markets have continued to expand.**

The market for travel opportunities which offer unique or highly specialized attractions has continued to grow over the past decade. Packaged tours for example which offer unique outdoor recreation opportunities such as nature/wildlife photography tours, river rafting trips, or wilderness scenery packages have been major growth areas of the packaged tour market. Fishing packages are forecast to see renewed growth trends over the next few years after having experienced flat to negative growth in recent years. Other forms of specialty travel markets which hold good potential for Saskatchewan would appear to be specialized events such as athletic tournaments or certain business and trade show conferences related to major Saskatchewan industries such as agriculture, mining and high technology.

5. **Shifts in demographic and economic patterns are changing travel market demands.**

The growth in packaged and specialty vacation markets is linked to fundamental changes occurring within the economic and demographic structure of travel markets. From an economic perspective, the more successful packaged vacations usually offer either very inexpensive travel opportunities or very unique opportunities at higher prices. In either case, value for money is of prime importance, a trend which has been occurring in travel markets for some time.

In terms of demographic changes, travel markets are changing due to changes in age structures, family compositions and new social values in the population. In short, the population is being more and more made up by older persons, single parents or second and third generation families, and people with values which reinforce strong desires for personal growth and self development. Packaged vacations are nicely suited to older persons as well as singles interested in meeting others in structured social situations. Specialized experiences can appeal to people's desire for education, skill development, or simply the need to do something interesting, unique and out of the ordinary.

Market Development Opportunities

Future years will see travel markets change in quantitative terms as well as along the qualitative dimensions indicated by the above trends. While the basic trends in terms of travel demand have been generally downward in very recent years, the future holds a somewhat more optimistic outlook. Since travel propensity is essentially linked to population growth and disposable income, the growth in regional or provincial and state economies will have a major influence on future markets. Three other factors are important in assessing the importance or priority of certain travel markets for Saskatchewan. These are the historic importance of the market in terms of travel volumes, the size of the market in expenditure terms and the potential volume for growth from the market. These factors have been analyzed for Saskatchewan's principal markets and are ranked in terms of high, medium and low priorities for guiding future market development opportunities.

Table 1-1 priorizes Saskatchewan's markets using the above three factors: market volumes, expenditures and market potential. In the case of each factor, the percentage contribution of each market to the factor is used to determine the rank of overall importance. For example 77% of Saskatchewan's person trip volumes are generated by Saskatchewan residents; therefore Saskatchewan's own residents are its most important market from a person trip volume factor perspective. The Netherlands on the other hand generates only .02% of Saskatchewan's total person trips therefore it ranked 12th overall.

In the case of the market potential factor ratings, these rankings were determined by identifying the total available market identified in Figure 3-9 on page 3-46 including both the amounts currently available and potentially available by 1987, and then multiplying these available markets by Saskatchewan's estimated market penetration rates. Overall rankings were determined simply by averaging the order of magnitude rankings obtained from the above calculations. The lower the score, the more important the market. These numerical ranking scores were then converted to high, medium and low ratings based on the relative importance of each market.

TABLE 1-1

Proposed Market Priority Rankings for Future Market Development Initiatives

Market/Priority Ranking		Existing Volume		Expenditure		Potential Volume[3]	
		%	Rank	%	Rank	%	Rank
	) Saskatchewan	82%	H	63%	H	34%	H
High	) Alberta	7.5%	H	15%	H	10%	M
	) U.S. (Secondary)[1]	1.0%	H	3%	H	11%	H
	) Manitoba	3.7%	H	3%	M	18%	H
	) British Columbia	1.9%	M	8%	H	7%	M
Medium	) U.S. (Primary)[2]	1%	M	.5%	M	16%	H
	) Ontario	.8%	M	3%	M	2%	M
	) Britain	.2%	L	.6%	L	.5%	L
Low	) Germany	.1%	L	.8%	L	.9%	M
	) Other Can. Prov.	.2%	L	2%	M	.1%	L
	) Netherlands	.02%	L	.3%	L	.3%	L
	) Japan	.03%	L	.1%	L	.1%	L

1 - includes generally the following states: California, Washington, Michigan, Wisconsin, New York, Illinois, Ohio, Iowa, Kansas, Nebraska, Texas.

2 - includes Minnesota, North Dakota, Montana and other U.S. points within 500 miles of Saskatchewan.

3 - total estimated latent demand for person trips to Saskatchewan = 4.6 million.

Strategic Market Conclusions

There is considerable latent demand for a tourism product(s) or experience(s) which are currently perceived by residents and non-residents not to exist in Saskatchewan. Through product development and strong marketing programs, Saskatchewan could raise current levels of travel visitations from 7.9 million trips in 1982 to as much as 9.6 million trips over a ten year period. This assumes roughly a market penetration level of roughly 37% of total increased latent demand identified in Table 1-1 as being potentially available.[1]

In addition to developing new markets the province should devise strategies to increase tourism expenditure from persons already visiting the province. One of the biggest obstacles to overcome is the lack of destination image. This will require considerable improvements to Saskatchewan's urban tourism experiences as well as the development of four-season non-urban destination resorts.

Saskatchewan should not expect to improve its poor travel destination image within the short term. There is no viable "quick fix" approach to developing the industry in such a manner that it will have the substantially broad-based market appeal needed to substantially raise the level of tourism expenditure above existing levels. Rather, a longer term view should be followed so as to allow the industry to evolve towards its potential. This is the purpose of having a tourism development strategy. If Saskatchewan does not take steps to correct the existing direction of the industry it will continue to further slip in the face of increasing competition from its neighbours, particularly Alberta, Manitoba and Montana. Saskatchewan's travel account deficit has continued throughout the 1970's and 80's and has now reached $181 million, which is 3.5 times the 1971 level. A key objective of the strategy, in addition to stimulating tourism expenditure in the Province must be to slow the rising level of resident tourism expenditure now leaving the province. This deficit is principally due to the poor tourism image Saskatchewan has with its own residents, who are continuing to seek out tourism experiences in the rest of Canada.

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[1] Potentially available demand identified in Table 1-1 already assumes Saskatchewan's historical penetration in these markets.

1.4 Saskatchewan's Tourism Products, Plant and Services

Although a province's tourism industry is structured around the key components which captures a traveller's spend (i.e. visitor facilities, transportation and visitor attractions), a view must be taken in order to understand how to best stimulate the industry's development in relationship to available markets. The industry's image, the quality of marketing and how the industry is organized are also key components that will often determine its success or failure.

Figure 1.4 graphically displays the broader definition of Saskatchewan's industry in relationship to markets and the tourism expenditure they can generate for the province.

TOURISM RESOURCES

Natural Resources

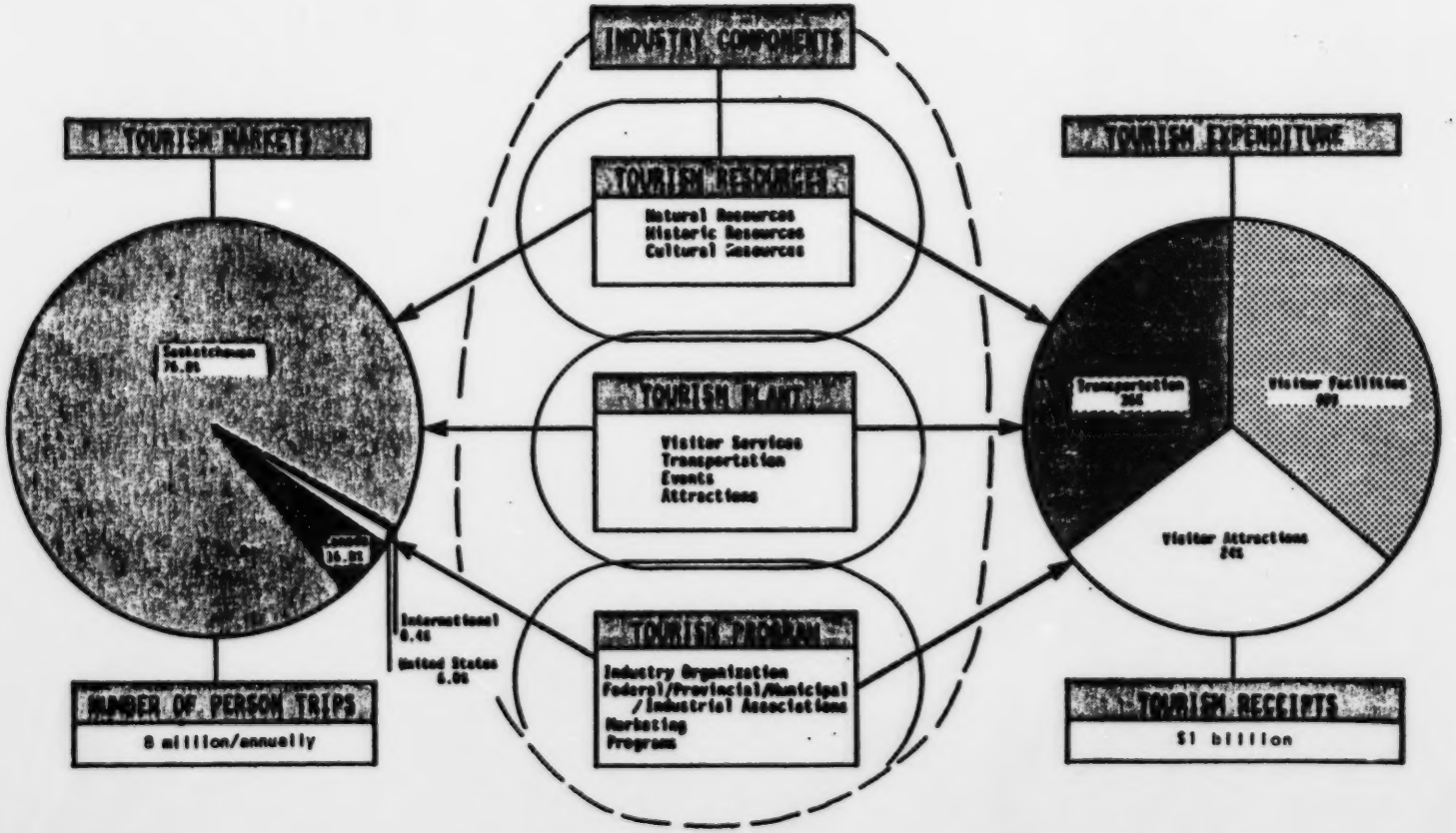
All too often Saskatchewan is characterized as being uninteresting and offering little potential to meet the needs of tourists looking for destination-orientated summer and winter recreation and leisure opportunities. There is some truth to this perception as the most attractive natural resources with the capability to support intensive uses are not often situated close to major urban markets and travel corridors where they would be easily accessed by the travelling public.

Much of the southern part of the province is utilized for agricultural purposes. Saskatchewan's southern landscape characteristics are not as dramatic or unique as in the case of the other western provinces. However resources such as Lake Diefenbaker, Cypress Hills, Grasslands, the Big Muddy and others, if properly managed, can increase the numbers, enjoyment and dollars spent by the pass-through market as well as the large resident market on a four-season basis.

Northern Saskatchewan and the Parkland Area offers a dramatic contrast to the south with each of these regions having some of the province's most outstanding tourism resources. Unfortunately, the northern outfitting industry has been characterized by great instability and is currently suffering from several resource management problems, however it is an industry which offers good future potential in international markets, given sufficient investment and good resource management.

FIGURE 1.4

TOURISM INDUSTRY STRUCTURE



Historical and Cultural Resources

Saskatchewan has an historical and cultural resource base of international and national significance but it is to a large extent underdeveloped. There are some excellent examples of specific historical projects that could be further developed to provide an educational experience, attractive to the growing tour market. Some of these themes and areas include sites such as the Riel Rebellion of 1885, Batoche National Historic site, Saskatchewan Rivers Heritage Area, Churchill River Heritage Area (explorer theme), Indian Cultural Themes (Tipperary Creek - Saskatoon) and a N.W.M.P. theme for Cypress Hills and Regina as well as a natural history theme based on prehistoric life centred in the Shaunavon Area.

Saskatchewan's tourism industry grew significantly relative to most industries during the period 1971 - 1981. The Accommodation and Food Services Sector of the industry expanded at a rate of 2.58 times the all-industry growth rate over this ten year period. More specifically Saskatchewan's hotel sector expanded at a rate of 1.63 times the all-industry average and Restaurants and Taverns grew at the rate of 3.37 times the all-industry average. Similarly the Amusement, Recreation and Attractions Sector grew at the rate of 2.08 times the national all-industry average rate. While Saskatchewan's tourism industry expanded at an above average rate, this rate was still behind growth rates achieved in the provinces of British Columbia, Alberta and Ontario.

In qualitative terms Saskatchewan's tourism industry is rated highly by residents in terms of outdoor recreation experiences, but poorly in terms of urban experiences. Hotels are rated about average, however restaurants and nightlife are generally rated poorly. These qualitative ratings tend to reflect the quantitative measures noted above. That is to say that although Saskatchewan's tourism industry grew above the all-industry average rate it lagged its competitor industries in most neighbouring provinces except Manitoba. The weakest growth areas and also the ones rated most poorly by residents appear to be city or urban entertainment and attractions. Lack of development in these areas seems to be holding back tourism growth to some extent. For example, it was determined that last year there were

over 500 vacant rooms on a daily basis in Saskatoon and over 375 in Regina. At an average room rate of $45 there is a lost opportunity of $14 million in room sales alone. Improved scheduling and further development of events, convention and trade shows and other urban attractions would greatly improve occupancy rates in the Province's two largest urban centres.

While Saskatchewan's parks and outdoor recreation opportunities are rated quite highly by travellers, an assessment of facilities in Saskatchewan's parks system indicates that, in many instances, they are undercapitalized and lack the commercial accommodation base and leisure attractions to appeal to major resident and non-resident markets on a four-season basis. Increased investment in commercial attractions by the public and private sectors in selected parks would significantly increase the quality of the experience and provide new destination opportunities on a four-season basis.

While improvements to certain aspects of Saskatchewan's tourism plant are required, consultations with the industry as well as other studies in support of tourism industry development have concluded that Saskatchewan also suffers from a lack of skilled manpower in certain areas. A study undertaken in 1983 by Derek Murray Consulting Assoc. Inc. for Saskatchewan Tourism and Small Business revealed that even in a recession year turnover rates were still high in the hospitality industry and many establishments reported difficulty in finding highly qualified personnel such as chefs, waiters and entertainers appropriate for their various types of establishments. Given the tourism industry's high dependence on staff for image development through good service, major investments in plant improvement would be unwise without corresponding improvements in staff training programs, etc.

Special Events and Attractions

For Saskatchewan events could play a significant role in a provincial tourism strategy. Currently events are largely thought of as community events and not as tourism attractors. Saskatchewan fairs, rodeos, sports, festivals and special events see an annual attendance of 1.5 to 2.0 million people with some events attracting upwards of 300,000 people. However the vast majority of events are seen as being

of only local or regional interest. High profile events such as the Silver Broom, Western Canadian Agribition and the Canadian National Figure Skating Championships can have a very significant impact on the community.

There are over 500 tourism attractions in Saskatchewan (man-made, natural and commercial, cultural attractions). Although the development of both events and attractions will require considerable programming and promotion, if this were done it would greatly increase their economic impact.

TOURISM PROGRAMMING

Industry Organizations

Saskatchewan has one of the most poorly developed tourism organization structures in Canada. This is true for all levels of the industry from community/regional levels to provincial levels. At the municipal level only five communities have tourism bureaus with separate budgets. With few exceptions, these communities have little funding and often lack the skilled expertise and direction to integrate, program and package both public and private sectors to realize the tourism potential of their communities. The effective implementation of any Saskatchewan tourism strategy will critically require effective industry organizations at the municipal level.

Marketing and Promotion

Until recently there were relatively few advertising dollars being spent on the province's facilities, events and attractions. Comparing Saskatchewan to other provinces and states in terms of marketing expenditures, the province will still have to increase its annual budget in the order of two to three times its 1983 level to remain on a competitive footing.

CONCLUSIONS

In summarizing the conclusions to be drawn from this chapter, the follwing points can be made with respect to Saskatchewan's tourism resources.

Strengths are:

- Lake Diefenbaker, selected northern lakes, waterways.
- waterfowl for hunting, wildlife diversity for non-competitive recreation (i.e. photography)
- sport fishing on selected lakes
- cultural events
- historical archeological resources.

Weaknesses are:

- scenic landscape vis a vis travel corridors
- four season resource potential on single sites
- limited infrastructure on public recreation lands to support private investment
- poor history of private investment in commercial recreation
- underutilized accommodation plant thus poor investment return and lack of plant upgrading
- lack of travel generators to produce higher expenditure impacts in dining/entertainment sector
- poorly organized industry and virtually no municipal planning from a tourism perspective
- historically weak marketing efforts vis a vis other jurisdictions.

The obvious focus of a viable tourism strategy must be to build on the province's strengths in terms of its resources and correct its weaknesses all within the constraints and opportunities of available markets.

1.5 Objectives for Tourism Development in Saskatchewan

The establishment of a set of realistic objectives for a Saskatchewan Tourism Strategy must be based in part on a clear identification of problems or constraints which must be overcome by the industry. Our analysis of the industry in terms of its markets and resources, products and services has revealed that the strategy must successfully address the following seven basic needs:

1. to raise the level of per trip expenditure closer to the national average.

2. to improve Saskatchewan's market image for pleasure travel opportunities.

3. to make Saskatchewan's travel receipts less dependent on the domestic market.

4. to develop Saskatchewan's best tourism resources so that they are better utilized and more effective at generating tourism expenditures.

5. To insure that Saskatchewan's tourism industry has sufficient public support to drive needed private investment.

In addressing these basic industry development needs it is important to also recognize that one of the core problems which must be addressed is the need to develop better attractions as a central strategic thrust to enhancing the level of growth within the tourism industry. There are several good reasons to make the development of attractions a central thrust of a long term Saskatchewan tourism industry development strategy:

1. Saskatchewan's nearest competitors, i.e. Manitoba, Alberta and British Columbia, already have a greater inventory of high quality man-made and natural attractions than does Saskatchewan.

2. Saskatchewan is historically perceived as not having high quality attractions for business and pleasure travel.

3. Saskatchewan fails to effectively capitalize on its high volume non-resident and foreign pass-through markets because attractions are insufficiently developed and promoted to hold these travellers and increase their expenditure impact through longer stays.

4. Greater development of attractions could be used to draw Saskatchewan's high volume of VFR travellers away from their base communities, or extend their stay thus increasing trip expenditures from this market segment.

5. Many of Saskatchewan's best national or international attractions such as the North, or major historic sites such as Batoche, require significant investments in public funding to make private investment viable.

6. The development of major attractions will encourage clustering of private investment in related facilities and attractions thus naturally developing distinctive tourism regions.

7. Greater development of attractions will increase length of stay and trip expenditures thus improving the market to support greater private investments.

Just as a realistic tourism industry development strategy must address the industry's basic problems and needs, so too must it take advantage of available opportunities. A Saskatchewan tourism strategy should effectively capitalize on at least three basic opportunities possessed by Saskatchewan. These are as follows:

1. Saskatchewan's markets, particularly the resident and large VFR market are characterized by a strong latent demand for pleasure travel opportunities. Person trip expenditures in Saskatchewan are low simply because of a lack of high quality attractions needed to motivate pleasure travel. With the exception of a small segment of VFR travel most resident travellers have average levels of disposable income.

2. Saskatchewan's relatively large pass-through markets offer an excellent opportunity to increase non-resident travel expenditures by capturing additional person days from travellers enroute to destination points to the West and East of Saskatchewan.

3. Saskatchewan has a number of resources and attractions which, if properly developed can be competitive on a regional, national and international scale. Included among these potential attractions are the province's fishing and hunting resources, archeological, historic and cultural resources, scenic walkways and lakes and major urban centres on the two principal interprovincial travel corridors.

Detailed analysis of industry development needs as well as opportunities has led the consultants to conclude that the following goals and objectives could be reasonably pursued by Saskatchewan's tourism industry over the next 10 year period.

Goal 1 - Increased Trip Expenditures

- 9% increase in trip expenditures by Saskatchewan residents
- 5% increase in trip expenditures by domestic travellers.
- 8% increase in trip expenditures by foreign travellers.

Goal 2 - Improved Market Image

- 30% increase in awareness by Saskatchewan residents
- 35% increase in awareness in Saskatchewan's domestic travel markets of pleasure travel opportunities in Saskatchewan.
- increased awareness of Saskatchewan in key specialty markets.

Goal 3 - Increased Non-Resident Travel Expenditures and Volumes

- 30% increase in non-resident domestic travel receipts.
- 9% increase in person trips from the U.S. with primary destination as Saskatchewan
- 6% increase in person trips originating overseas
- 1% increase in interprovincial domestic business travel volumes.

1.6 Proposed Saskatchewan Tourism Industry Development Strategy

The proposed general direction for a Saskachewan Tourism Industry Development Strategy has already been partially established in the previous section of this executive summary. This central direction involves a focus on the following strategic elements:

- a major emphasis in the development of attractions
- greater market impacts through increased person trip expenditures
- improvements to Saskatchewan's image through creation of a greater awareness for pleasure and business travel
- reduced dependency on resident markets through increases to Saskatchewan's capture of non-resident travel receipts.

While these broad strategic statements provide a general direction to the strategy they do not answer such questions as:

- What types of attractions, where?
- What level of public support and private industry involvement is required?
- What priority should be placed on various types of developments?

These questions are dealt with in the strategy by analyzing the strengths and weaknesses of specific destination areas in Saskatchewan relative to six factors which are critical in the development of the tourism industry. These six important factors include:

- size of market beyond a 200 mile catchment area
- total volumes of person trips achieved annually
- person trip expenditure levels
- average length of stay by visitors to the area
- trip purposes for travel to the area
- relative consistency in travel demand throughout the year.

Measures of these six factors were applied to each of the travel destination zones identified in Figure 1-5 for both resident and non-resident markets. Following this, each of these zones were compared in terms of their relative strengths and weaknesses for

FIGURE 1-5

Travel Destination Zones

Travel Destination Zones

1. South West
2. South East
3. North West
4. East Central
5. Saskatoon
6. Regina
7. The North

of all six factors. This analysis yields a relative measure of the relative historical performance of each of the travel zones with regard to the six factors. The conclusions of this analysis are summarized in Table 1-2 showing that Saskatoon was rated most effective overall with regard to the average of all six factors whereas the North was rated least effective.

These same regions were then rated with respect to their potential to achieve the most positive impact on the three basic strategy goals. This analysis involved an examination of those types of attractions most desired by Saskatchewan's tourism markets, the extent of demand for those attractions and the ability of each travel zone to develop those attractions. Once again the analysis of priorities for developments revealed that Regina and Saskatoon held the best potential to meet Saskatchewan's future tourism demands from a broad market and resource potential perspective. This is shown in Figure 1-6. In this second analysis however the north rated much more highly due to its high potential for attracting non-resident and foreign travel business.

1.7 Industry Development Opportunities

Finally, the proposed tourism strategy concludes by citing a number of development opportunities which could be pursued in each of the various travel destination zones. The implementation of an effective tourism strategy for Saskatchewan, as noted earlier, must be approached over a long time frame. In the short term (3-5 years), however, it is recommended that the strategy involve primarily two types of projects:

1. Those developments centred in or near Saskatchewan's two major urban centres of Saskatoon and Regina/Moose Jaw which meet the large latent demand for high quality urban tourism experiences as well as generate resident and non-resident pleasure and business travel opportunities.

2. Those developments or projects which produce high quality outdoor recreation attractions on a four season basis, most likely but not exclusively at or near provincial parks and/or close to major interprovincial travel corridors.

TABLE 1-2

Overall Ranking of Travel Destination Zones for All Six Factors

Region	RANKINGS		
	Overnight Trips Ranking	Length of Trip in terms of Nights/Trip	Overall Ranking (1 - 3 Scale)
Saskatoon	1	6	1
East Central	4	4	1
South West	3	3	1
South East	5	2	1
Regina	2	7	2
North	7	1	2
North West Central	6	5	3

FIGURE 1-6

Summary of Travel Destination Areas Offering Best Potential to Achieve Strategy Goals

Goal 1		
Increased Trip Expenditures: (Regions with Highest per trip expenditures)	1. Saskatoon 2. Regina 3. South West 4. North 5. North East Central 6. North West Central 7. South East	
Goal 2		
Improved Market Image: (Regions or attractions most in need of improvement from market perception data)	1. Saskatoon 2. Regina 3. South West 4. East Central 5. North 6. West Central 7. South East	
Goal 3		
Increased Non-Resident Receipts: (Regions with highest non-resident receipts)	1. Regina 2. Saskatoon 3. East Central 4. South West 5. North West Central 6. North 7. South East	
		Strategic Priority for Industry Development: 1. Saskatoon 2. Regina 3. South West 4. East Central 5. North 6. North West Central 7. South East

A number of specific development projects were cited as having high potential warranting further detailed investigation and feasibility analysis.

These projects are identified for illustrative purposes only. They are not meant to provide an exhaustive list. Indeed many worthwhile projects were mentioned by private industry representatives as well as government and other organization officials in the course of the consultations program. The number of good projects identified were simply too numerous to mention in this document but should be identified in subsequent regional plans.

The following is a partial list of potential projects identified to illustrate Saskatchewan's tourism industry development opportunities. More detailed and descriptive accounts of these projects are identified in Chapter 7 of the detailed strategy.

Saskatoon:

1. Cultural Theme Park - interpreting the many unique and diverse aspects of Saskatchewan's culture, history, economy and social structure. This park might involve a time capsule approach whereby visitors would be taken through a number of pavilions related to themes such as Plains Indians history, Western Settlement such as "Boom Town" at the Western Development Museum, a Saskatchewan mining industry pavilion, a high technology pavilion, and a multicultural pavilion.

2. Saskatchewan Rivers Heritage Area - a major interpretive area with a central theme surrounding the Northwest Rebellion of 1885. Elements of this project are already underway.

3. Tipperary Creek - A major interpretive pavilion and outdoor recreation area dedicated to the interpretation of Plains Indian Cultures and Lifestyles. This might be a part of "Saskatoon's Cultural Theme Park". Investigations into this project are also already under way.

Regina/Moose Jaw/Qu'Appelle Area:

1. Agriculture Theme Park - Continued development of the Regina Exhibition Grounds along its present theme for hosting agricultural events. This project might involve the creation of a working model farm, permanent pavilions displaying historical and recent advances in agricultural technology, a typical rural main street, with associated commercial outlets, major professional sports facilities for CFL football and Triple A baseball, major conference, convention and entertainment facilities.

2. River Street - Moose Jaw - Redevelopment of River Street to interpret the gangster lawless era of Saskatchewan's history. This project would involve plenty of street drama, period costumes and generally a fun or "speak-easy" environment.

3. Light Industrial Aircraft Show - Expansion of the Moose Jaw Air Show to include a week-long international light aircraft trade show involving new developments in various aircraft throughout the world. This would become the "Air Progress Show" of Western Canada.

4. Fort Qu'Appelle Tourism Destination Area Training Centre - Refurbishment of Echo Valley Centre as a major four-season destination resort featuring a remote business conference facilities centre, on site cultural events and skill development centre and tourism industry staff training centre, private condomium developments, riding stables and other recreation activities.

South West Area

1. Lake Diefenbaker Resort - Long term development of a major water based four-season recreation area including major marina developments, championship golfing, extensive cottage developments and cross country skiing, upland and waterfowl game bird hunting and other strong tourism attractions.

2. Cypress Hills/Fort Walsh Historic Area - A major four season resort linked to Cypress Hills, Alberta, with a major theme centred around the North West Mounted Police, Dude Ranching and various four season recreation developments.

North East Central Zone

1. Four Season Resort Parks - major four season resort developments at provincial parks such as Greenwater and Duck Mountain. These developments would be highly oriented to outdoor recreation opportunities. Manitou Beach might also be redeveloped as a major health spa fitness resort.

The North

1. Wilderness Recreation Area - Development of wilderness recreation such as canoeing, fishing and hunting experiences through very well developed northern lodges. These developments would require major financial incentives to provide operators but would result in high quality tourism developments targeted at foreign specialty travel markets. The Churchill River would be a prime candidate area.

Conclusions

The foregoing is only a small sample of the types of projects listed in the full tourism strategy. Obviously there are many other projects which could be developed. Nevertheless, even these few projects illustrate the tremendous potential which exists in Saskatchewan if the tourism industry were to embark on a long term development program.

It is the consultants view that a major tourism industry development effort would result in a very positive return to both goverment and the private sector. We have estimated that a total employment impact of nearly 10,000 new jobs over the next ten years and nearly $100,000,000 in new taxation revenue for the federal and provincial governments. This amounts to a 30% increase over present levels with respect to these two principal economic impacts, making investments in tourism industry development potentially one of the most beneficial programs from both the government's as well as the industry's perspective.